

## **Chapter Objective**

1. To be able understand the principle of life cycle costing
2. To be able to do a life cycle cost analysis on a given energy system

## **Chapter Motivation**

Needed for comparing the various energy systems for a given application.

## **Sample Questions**

1. Explain the concept of present worth and future worth?
2. What is the present worth of an amount  $n$  year hence considering the rate of interest to be  $i$  and the inflation rate to be  $f$ ?
3. What is the present worth of equal annual installments of  $P$  for  $n$  years?
4. What is LCC? Explain
5. What is ALCC? Explain